

House File 134 - Introduced

HOUSE FILE 134

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A BILL FOR

1 An Act relating to the recovery of penalties and interest from
2 businesses receiving financial assistance under certain
3 economic development programs and including retroactive
4 applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15E.193, subsection 3, Code 2011, is
2 amended to read as follows:

3 3. If a business has received incentives or assistance
4 under section 15E.196 and fails to maintain the requirements
5 of subsection 1 to be an eligible business, the business is
6 subject to repayment of all or a portion of the incentives
7 and assistance that it has received. The city or county, as
8 applicable, shall have the authority to take action to recover
9 the value of taxes not collected as a result of the exemption
10 provided by the community to the business. The department of
11 revenue shall have the authority to recover the value of state
12 taxes or incentives provided under section 15E.196. The value
13 of state incentives provided under section 15E.196 ~~includes~~
14 ~~applicable~~ does not include interest ~~and or~~ penalties. The
15 department of economic development and the city and county,
16 as applicable, shall enter into agreement with the business
17 specifying the method for determining the amount of incentives
18 or assistance paid which will be repaid in the event of failure
19 to maintain the requirements of subsection 1. In addition, a
20 business that fails to maintain the requirements of subsection
21 1 shall not receive incentives or assistance for each year
22 during which the business is not in compliance.

23 Sec. 2. APPLICABILITY. This Act applies retroactively
24 to January 1, 2006, for incentives or assistance received or
25 claimed on or after that date.

26 EXPLANATION

27 Code section 15E.193 allows the department of revenue, under
28 certain circumstances, to seek repayment of certain financial
29 incentives provided under the enterprise zones program, and
30 allows the department to charge penalties and interest.

31 This bill eliminates the department's authority to charge
32 penalties and interest.

33 The bill applies retroactively to January 1, 2006, for
34 incentives or assistance received or claimed on or after that
35 date.